



Karin Technology Holdings Limited
(Incorporated in Bermuda on 30 August 2002)
2/F, Karin Building, 166 Wai Yip Street,
Kwun Tong, Kowloon, Hong Kong, China
(Registration No. 32514)

For Immediate Release

NEWS RELEASE

Karin Disposes Subsidiary To Focus On Profit Making Core Businesses

Singapore, 19 December 2008 – Mainboard listed Karin Technology Holdings Limited (“Karin” or the “Group”), a leading IT and components solutions and services provider in Hong Kong and the People’s Republic of China (“PRC”), is pleased to announce that its wholly-owned subsidiary, Karin Technology (BVI) Limited (the “Vendor”) has on 19 December 2008, entered into a share transfer agreement (the “Agreement”) with Mr. Yip Shun Yeung (“Mr. Yip”) for the disposal of the Group’s entire 70% equity stake in Gamatech Limited (“Gamatech”) (the “Disposal”).

Gamatech is involved in the provision and implementation of a variety of IT services and solutions in various industries. Besides holding the remaining 30% equity stake, Mr. Yip was the original founding member of Gamatech’s management team, and is currently a director at Gamatech.

The consideration for the Disposal will be HK\$595,401 in cash, arrived at on an arm’s length basis, and with reference to Karin’s 70% share of the unaudited net liability of HK\$553,109 of Gamatech and a shareholder loan of HK\$982,577 (“the Loan”) due from Gamatech to the Vendor as at 31 October 2008.

Executive Chairman of Karin, Mr. Philip Ng, explained the rationale behind this Disposal, “In view of the global credit crunch, the Group has to re-evaluate our business structure and streamline our operations in order to be more productive and efficient. This is a time for us to analyse our organisation and see where we

can reduce costs and redistribute valuable resources into our profit making core businesses. Gamatech has not been performing up to our expectation since our investment in it. Hence, it will only be responsible and prudent on the Group's part to dispose of Gamatech and concentrate the resources on our core businesses.”

Mr. Ng continued, “Not only will this divestment streamline the Group's current operations and aid in cost-savings, it will also improve our working capital position and strengthen our core businesses to withstand the recent volatile market conditions.”

Included in the Disposal is the purchase of the Loan by Mr. Yip. Under the terms of the Agreement, the Loan will be assigned by the Vendor to Mr Yip. Following the completion of the disposal, the Loan shall be fully repaid to the Vendor and all liability for debts and obligations arising out of or in connection with the business operations of Gamatech after 31 October 2008 shall be borne by Mr. Yip, and no longer assumed by the Vendor.

None of the Directors and the controlling shareholders of Karin have any interest, directly or indirectly, in the Disposal.

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About Karin Technology Holdings Limited

Listed on the Mainboard of the Singapore Exchange in 2005, Karin is a leading IT and components solutions and services provider in Hong Kong and the People's Republic of China ("PRC"). Since 1977, we have been principally engaged in the electric components and computer distribution business for various segments of the electronics industry, including the communications, computer, electrical appliances and utility segments. In view of the increasing demand for IC software application solutions in the 1990s, we expanded our business to include the provision of outsourcing services such as IC application design solutions and data storage management solutions.

Karin has also in 2007 acquired IMI Kabel Pte Ltd, a Singapore based distributor of a full range of cable products, including data control cables, connectors, power voltage cables, connectively cable products, accessories and equipment for various applications for a variety of industries ranging from industrial automation to port and shipyard, offshore oilfields and petrochemical facilities.

For more information, please visit our website at <http://www.karingroup.com/eng/global/home.php>

About Gamatech Limited

Gamatech is an information technology ("IT") consulting firm with focuses on:

- Identity and Access Management (IAM) Solutions
- Web Application Security Solutions and Assessment Services
- Enterprise Linux Implementations
- Security Solutions Integrations

Gamatech's customers are enterprises from industries such as, transportation, education, entertainment, finance, government, logistics, utilities and telecommunications.

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